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ASX Announcement

20 January 2011

NABANGA DRILLING RESULTS CONFIRM A SIGNIFICANT NEW HIGH GRADE GOLD DISCOVERY

Highlights:

- **High grade assay results from the maiden RC drilling program at the Nabanga Prospect in south-east Burkina Faso confirm a significant new gold discovery.**
- **Nabanga Prospect drill results include:**
  - **2m @ 15.98g/t Au** from 19m (in NARC003)
  - **10m @ 3.00g/t Au** from 25m (in NARC004)
  - **8m @ 14.01g/t Au** from 26m (in NARC006)
  - **3m @ 24.62g/t Au** from 59m (in NARC011)
  - **4m @ 13.88g/t Au** from 17m (in NARC017)
  - **8m @ 10.11g/t Au** from 34m (in NARC030)
  - **3m @ 11.36g/t Au** from 36m (in NARC031)
- **Gold mineralisation (>0.5g/t Au) defined over a 3,600 metre strike length with an average lode intersection of 4.6m @ 5.66g/t (includes all 20 drill intersections).**
- **Drill intersections generally located above 50 metres vertical depth.**
- **Additional narrow but high grade drill intersections recorded within the Nabanga North structure over a 440 metre strike length.**
- **Nabanga North Prospect drill results include:**
  - **2m @ 8.32g/t Au** from 25m (in NARC019)
  - **1m @ 11.65g/t Au** from 18m (in NARC024)
- **Significant potential to identify additional gold mineralised structures in the Nabanga area via recently completed high resolution magnetic geophysical survey.**
- **Ongoing drilling programs proposed to advance multiple gold targets within MET's large and highly prospective Burkina Faso project portfolio.**

Nabanga Discovery

The Board of Mt Isa Metals Limited (MET) is pleased to announce that high grade assay results have been received for the maiden reverse circulation (RC) drilling program at the Nabanga Gold Prospect in south-east Burkina Faso.

The drill assay results confirm Nabanga as **a significant new high grade gold discovery.**

Significant drill intersections include:

- **2m @ 15.98g/t Au** from 19m (in NARC003)
- **10m @ 3.00g/t Au** from 25m (in NARC004)
- **8m @ 14.01g/t Au** from 26m (in NARC006)
- **3m @ 24.62g/t Au** from 59m (in NARC011)
- **4m @ 13.88g/t Au** from 17m (in NARC017)
- **8m @ 10.11g/t Au** from 34m (in NARC030)
- **3m @ 11.36g/t Au** from 36m (in NARC031)

The Nabanga target is defined at surface by shallow northeast-trending artisanal gold workings that extend over a 3.6km strike length. Multiple quartz veins have been identified along the artisanal trend.

MET completed twenty one RC drill holes in the maiden drilling program for a total 2,008 drilled metres. The drilling was designed to test the Nabanga structure along the full length of the artisanal workings on approximate 300 metre spaced sections and to a vertical depth of generally less than 50 metres from surface.

Gold mineralisation above 0.5g/t was recorded in every drill hole completed at Nabanga confirming a significant gold mineralised system below the near-surface artisanal workings (note - drill hole NARC016 was abandoned at 21m down hole depth in artisanal workings).

A drill hole location plot, which also shows individual drill hole intersections through the main Nabanga vein, is provided at figure 1.

The average Nabanga drill hole intersection is 4.6m @ 5.66g/t Au (this includes all 20 drill holes which intersected the main structure). It is apparent that higher grade zones exist within the Nabanga structure which indicates strong potential for delineation of discrete zones of even higher grade mineralisation.

Detailed drill assay results are provided in table 1.

Gold mineralisation at Nabanga is hosted in granodiorite and is associated with quartz veining and development of minor (<1%) pyrite (figure 2). Vein geometry (as interpreted from the drill intersections and artisanal workings) is variable, with steep dips typically in the range 60^{o} to 70^{o}.

Significant potential exists to extend the defined gold mineralisation at Nabanga with addition drilling. The structure is open along strike with +1g/t Au drill intersections recorded by MET at either end of the current drill pattern. The Nabanga structure is also open at depth and presents considerable potential to extend the deposit through deeper drilling. Lode gold mineralisation in greenstone provinces typically extends to significant depths.

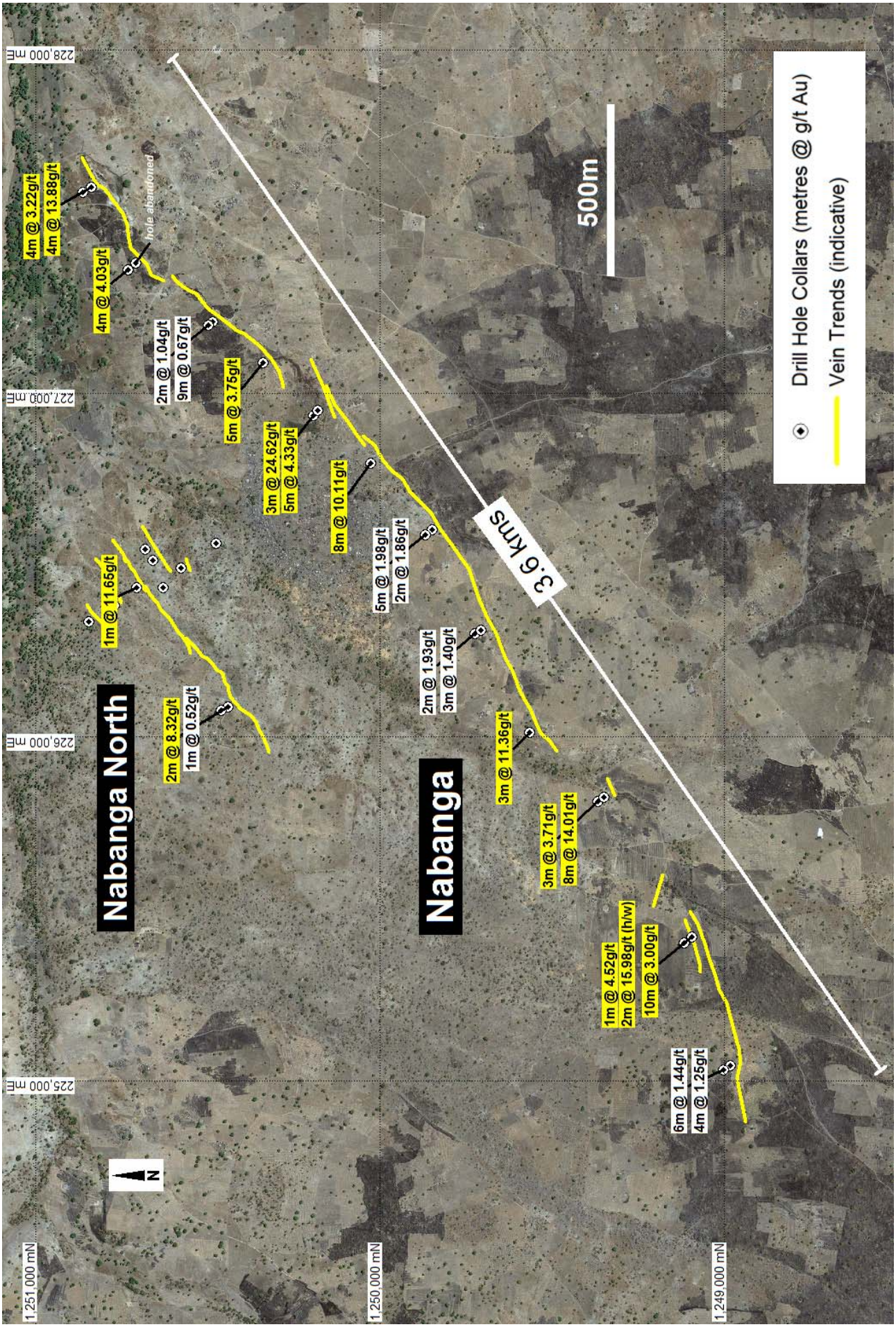

Figure 1 - Location diagram – Nabanga and Nabanga North drilling results.

Figure 2 – Nabanga RC drill chips – showing high grade quartz lode mineralisation.

Nabanga North Results

The MET Board is pleased to advise that positive assay results have also been received for a short (three hole) RC drilling program testing the Nabanga North vein.

The Nabanga North vein is located approximately 750 metres north-east of the main Nabanga structure and is also defined at surface by shallow artisanal workings that extend over an approximate 600 metre strike length. The Nabanga North vein is oriented parallel to the main Nabanga structure (figure 1).

Two significant intersections were recorded at Nabanga North including:

- **2m @ 8.32g/t Au** from 25m (in NARC019)
- **1m @ 11.65g/t Au** from 18m (in NARC024)

Although the Nabanga North intersections are narrow (1-2m down hole width) they are significant in that they confirm the potential for multiple high grade gold mineralised structures across the broader Nabanga target area.

Detailed assay results/drill hole data for the Nabanga North drilling are provided in table 2.

MET has also received assay results for an additional seven RC drill holes designed to test smaller scale quartz veins developed adjacent to the Nabanga North vein (+/-200m into the hangingwall and footwall). Few significant assay results were recorded from this drilling (refer table 3).

Conclusion

MET considers the results of the maiden drilling program in the Nabanga area to be extremely encouraging. In particular the delineation of +0.5g/t gold mineralisation along the entire 3.6km length of the Nabanga structure confirms a new gold discovery.

An expanded drilling program is now warranted at Nabanga to infill existing sections and to provide a preliminary assessment of the continuity of mineralisation to 100 metres vertical depth. Greenstone hosted lode gold deposits typically extend to considerable depths.

Beyond the zone of current drilling MET considers there is excellent potential to define significant strike extensions to the Nabanga gold mineralisation.

MET has recently received the results of a high resolution aero-magnetic geophysical survey that was completed over the entire Yactibo Project area (including Nabanga). Although interpretation of this data is incomplete the Nabanga structure can be seen to continue to the south-west over a distance at least equal to the strike length of the structure already drilled.

The identification of high grade gold in multiple veins at Nabanga (ie: Nabanga and Nabanga North) also indicates significant potential to define multiple gold mineralised vein systems in the Nabanga region. Again the recently acquired geophysical data indicates a significant number of structures to be assessed.

The Board is committed to maintaining an aggressive exploration program across the Company's large and highly prospective project portfolio in Burkina Faso and looks forward to providing an update on results as they come to hand.

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Peter Spiers B.Sc (Hons) Geol., who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Spiers is a full time employee of the company. Mr Spiers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC001	225,045	1,248,983	78	-60	145	0	1	1	0.61
						20	24	4	1.25
NARC002	225,031	1,249,002	108	-60	145	0	1	1	1.18
						3	6	3	0.70
						30	36	6	1.44
NARC003	225,402	1,249,116	112	-60	145	**19**	**21**	**2**	**15.98**
						55	**56**	**1**	**4.52**
NARC004	225,418	1,249,093	74	-70	145	**25**	**35**	**10**	**3.00**
NARC005	225,812	1,249,368	106	-60	145	**45**	**48**	**3**	**3.71**
NARC006	225,825	1,249,350	80	-60	145	**26**	**34**	**8**	**14.01**
NARC007	226,301	1,249,724	113	-60	145	51	52	1	1.33
						55	57	2	1.93
NARC008	226,311	1,249,707	78	-60	145	30	33	3	1.40
						39	40	1	0.84
NARC009	226,604	1,249,849	110	-60	145	9	10	1	0.72
						20	21	1	1.29
						25	27	2	1.86
						47	48	1	0.98
NARC010	226,589	1,249,868	120	-60	145	6	7	1	0.95
						19	20	1	0.61
						54	59	5	1.98
						85	**87**	**2**	**4.90**
NARC011	226,935	1,250,193	142	-60	145	**59**	**62**	**3**	**24.62**
						66	67	1	0.98
NARC012	226,950	1,250,180	150	-60	145	**44**	**49**	**5**	**4.33**
NARC013	227,209	1,250,486	102	-60	145	24	33	9	0.67
NARC014	227,199	1,250,497	102	-60	145	**0**	**1**	**1**	**3.33**
						16	17	1	0.64
						51	53	2	1.04
NARC015	227,360	1,250,730	90	-60	145	30	31	1	0.98
						53	**57**	**4**	**4.03**
						66	**67**	**1**	**3.12**
NARC016	227,379	1,250,709	21	-60	145	*Hole terminated in workings.*			
NARC017	227,601	1,250,839	80	-60	145	0	1	1	1.29
						17	**21**	**4**	**13.88**
						48	49	1	0.52
						73	**74**	**1**	**4.53**
NARC018	227,587	1,250,862	102	-60	145	**46**	**50**	**4**	**3.22**
NARC029	227,091	1,250,339	80	-60	145	0	1	1	0.68
						23	**28**	**5**	**3.75**
						39	40	1	0.59
NARC030	226,797	1,250,027	80	-60	145	**34**	**42**	**8**	**10.11**
						47	48	1	0.52
NARC031	226,013	1,249,565	80	-60	145	**36**	**39**	**3**	**11.36**

Table 1 – Nabanga Drill Results (0.5g/t Au cut-off grade, +2.0g/t intersections highlighted).

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC019	226,088	1,250,442	78	-60	145	**25**	**27**	**2**	**8.32**
NARC020	226,079	1,250,461	113	-60	145	60	61	1	0.52
NARC024	226,434	1,250,707	86	-60	145	**18**	**19**	**1**	**11.65**
						40	41	1	1.01

Table 2 – Nabanga North Drill Results (0.5g/t cut-off grade, +2.0g/t intersections highlighted).

Hole No.	East (WGS84)	North (WGS84)	TD (m)	Dip	Azi	From (m)	To (m)	Width (m)	Au (g/t)
NARC021	226,563	1,250,475	76	-60	145	*No significant values.*			
NARC022	226,492	1,250,577	76	-60	145	26	27	1	0.53
						48	49	1	0.69
NARC023	226,515	1,250,659	79	-60	145	22	24	2	0.59
NARC025	226,382	1,250,772	74	-60	145	*No significant values.*			
NARC026	226,337	1,250,846	74	-60	145	*No significant values.*			
NARC027	226,547	1,250,681	80	-60	145	*No significant values.*			
NARC028	226,434	1,250,629	80	-60	145	24	25	1	0.90
						39	40	1	0.82
						54	**55**	**1**	**4.76**

Table 3 – Nabanga Other Drill Results (0.5g/t cut-off grade, +2.0g/t intersections highlighted).